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DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-067]

Forged Steel Fittings from the People's Republic of China: Affirmative Preliminary Determination of Sales at Less Than Fair Value, Postponement of Final Determination and Extension of Provisional Measures

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) preliminarily determines that forged steel fittings from the People's Republic of China (China) are being, or are likely to be, sold in the United States at less than fair value (LTFV). The period of investigation (POI) is April 1, 2017, through September 30, 2017. Interested parties are invited to comment on this preliminary determination.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Katherine Johnson at 202-482-4929 or Irene Gorelik at (202) 482-6905, AD/CVD Operations, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230.

SUPPLEMENTARY INFORMATION:

Background

Commerce initiated this investigation on October 25, 2017.¹ On February 2, 2018,

¹ See *Forged Steel Fittings from the People's Republic of China, Italy, and Taiwan: Initiation of Less-Than-Fair-Value Investigations*, 82 FR 50614 (November 1, 2017) (*Initiation Notice*).

Commerce postponed the preliminary determination of this investigation.² Commerce exercised its discretion to toll all deadlines affected by the closure of the Federal Government from January 20 through 22, 2018. The revised deadline for the preliminary determination of this investigation is now May 7, 2018.³

For a complete description of the events that followed the initiation of this investigation, *see* the Preliminary Decision Memorandum.⁴ A list of topics included in the Preliminary Decision Memorandum is included as Appendix II to this notice. The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>, and to all parties in the Central Records Unit, room B8024 of the main Department of Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>. The signed and the electronic versions of the Preliminary Decision Memorandum are identical in content.

Scope of the Investigation

The products covered by this investigation are forged steel fittings from China. For a complete description of the scope of this investigation, *see* the "Scope of the Investigation," in Appendix I.

² *See Forged Steel Fittings from the People's Republic of China, Italy, and Taiwan: Postponement of Preliminary Determinations in the Less-Than-Fair-Value Investigations*, 83 FR 4899 (February 2, 2018).

³ *See* Memorandum for the Record from Christian Marsh, Deputy Assistant Secretary for Enforcement and Compliance, performing the non-exclusive functions and duties of the Assistant Secretary for Enforcement and Compliance, "Deadlines Affected by the Shutdown of the Federal Government" (Tolling Memorandum), dated January 23, 2018. All deadlines in this segment of the proceeding have been extended by 3 days.

⁴ *See* Memorandum, "Decision Memorandum for the Preliminary Determination in the Less-Than-Fair-Value Investigation of Forged Steel Fittings from the People's Republic of China," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

Scope Comments

In accordance with the preamble to Commerce's regulations,⁵ the *Initiation Notice* set aside a period of time for parties to raise issues regarding product coverage (*i.e.*, scope).⁶ Certain interested parties commented on the scope of the investigation as it appeared in the *Initiation Notice*. On March 7, 2018, Commerce issued a Preliminary Scope Decision Memorandum making certain preliminary revisions to the scope based on the comments received.⁷ Commerce received additional scope comments following the issuance of the Preliminary Scope Decision Memorandum, and based on those comments, made certain additional preliminary revisions to the scope. For a summary of the additional comments received, and Commerce's preliminary analysis and decision with respect to them, *see* the Second Preliminary Scope Decision Memorandum.⁸ *See also* the revised scope in Appendix I to this notice.⁹

Methodology

Commerce is conducting this investigation in accordance with section 731 of the Tariff Act of 1930, as amended (the Act). Commerce has calculated export prices in accordance with section 772(a) of the Act. Because China is a non-market economy, within the meaning of section 771(18) of the Act, Commerce has calculated normal value (NV) in accordance with section 773(c) of the Act. In addition, pursuant to section 776(a) and (b) of the Act, Commerce preliminarily has relied upon facts otherwise available, with adverse inferences, for the China-wide entity, including the single entity comprising Jiangsu Haida Pipe Fittings Group Company

⁵ *See Antidumping Duties; Countervailing Duties, Final Rule*, 62 FR 27296, 27323 (May 19, 1997).

⁶ *See Initiation Notice*, 82 FR at 50615.

⁷ *See* Memorandum, "Scope Comments Decision Memorandum for the Preliminary Determinations," dated March 7, 2018 (Preliminary Scope Decision Memorandum).

⁸ *See* Memorandum, "Second Preliminary Scope Decision Memorandum," dated concurrently with this notice (Second Preliminary Scope Decision Memorandum).

⁹ The revised scope language also applies to the companion countervailing duty investigation of forged steel fittings from China.

Ltd., its affiliated producer Haida Pipe Co., Ltd., and its affiliated reseller Yancheng L&W International Co., Ltd. For a full description of the methodology underlying Commerce's analysis, *see* the Preliminary Decision Memorandum.

Combination Rates

In the *Initiation Notice*,¹⁰ Commerce stated that it would calculate producer/exporter combination rates for the respondents that are eligible for a separate rate in this investigation. Policy Bulletin 05.1 describes this practice.¹¹

Preliminary Determination

Commerce preliminarily determines that the following weighted-average dumping margins exist:

¹⁰ *See Initiation Notice* at 50618.

¹¹ *See* Enforcement and Compliance's Policy Bulletin No. 05.1, regarding, "Separate-Rates Practice and Application of Combination Rates in Antidumping Investigations involving Non-Market Economy Countries," (April 5, 2005) (Policy Bulletin 05.1), available on Commerce's Web site at <http://enforcement.trade.gov/policy/bull05-1.pdf>.

Exporter	Producer	Estimated Weighted-Average Dumping Margin (percent)
Both-Well (Taizhou) Steel Fittings Co., Ltd.	Both-Well (Taizhou) Steel Fittings Co., Ltd.	7.42
Dalian Guangming Pipe Fittings Co., Ltd.	Yancheng Jiuwei Pipe Fittings Co., Ltd.	7.42
Dalian Guangming Pipe Fittings Co., Ltd.	Yancheng Manda Pipe Industry Co., Ltd.	7.42
Dalian Guangming Pipe Fittings Co., Ltd.	Yancheng Haohui Pipe Fittings Co., Ltd.	7.42
Dalian Guangming Pipe Fittings Co., Ltd.	Jiangsu Haida Pipe Fittings Group Co., Ltd.	7.42
Eaton Hydraulics (Ningbo) Co., Ltd.	Eaton Hydraulics (Ningbo) Co., Ltd.	7.42
Eaton Hydraulics (Luzhou) Co., Ltd.	Eaton Hydraulics (Luzhou) Co., Ltd.	7.42
Eaton Hydraulics (Luzhou) Co., Ltd.	Luzhou City Chengrun Mechanics Co., Ltd.	7.42
Eaton Hydraulics (Luzhou) Co., Ltd.	Eaton Hydraulics (Ningbo) Co., Ltd.	7.42
Jiangsu Forged Pipe Fittings Co., Ltd.	Jiangsu Forged Pipe Fittings Co., Ltd.	7.42
Jinan Mech Piping Technology Co., Ltd.	Jinan Mech Piping Technology Co., Ltd.	7.42
Jining Dingguan Precision Parts Manufacturing Co., Ltd.	Jining Dingguan Precision Parts Manufacturing Co., Ltd.	7.42
Lianfa Stainless Steel Pipes & Valves (Qingyun) Co., Ltd.	Lianfa Stainless Steel Pipes & Valves (Qingyun) Co., Ltd.	7.42
Ningbo Long Teng Metal Manufacturing Co., Ltd.	Ningbo Long Teng Metal Manufacturing Co., Ltd.	7.42
Ningbo Save Technology Co., Ltd.	Ningbo Save Technology Co., Ltd.	7.42
Q.C. Witness International Co., Ltd.	Ningbo HongTe Industrial Co., Ltd.	7.42
Q.C. Witness International Co., Ltd.	Cixi Baicheng Hardware Tools, Ltd.	7.42

Qingdao Bestflow Industrial Co., Ltd.	Yancheng Boyue Tube Co., Ltd.	7.42
Xin Yi International Trade Co., Limited	Yancheng Jiuwei Pipe Fittings Co., Ltd.	7.42
Xin Yi International Trade Co., Limited	Yancheng Manda Pipe Industry Co., Ltd.	7.42
Xin Yi International Trade Co., Limited	Yancheng Haohui Pipe Fittings Co., Ltd.	7.42
Xin Yi International Trade Co., Limited	Jiangsu Haida Pipe Fittings Group Co., Ltd.	7.42
Xin Yi International Trade Co., Limited	Yingkou Guangming Pipeline Industry Co., Ltd.	7.42
Xin Yi International Trade Co., Limited	Shanghai Lon Au Stainless Steel Materials Co., Ltd.	7.42
Yingkou Guangming Pipeline Industry Co., Ltd.	Yingkou Guangming Pipeline Industry Co., Ltd.	7.42
Yingkou Guangming Pipeline Industry Co., Ltd.	Yancheng Jiuwei Pipe Fittings Co., Ltd.	7.42
Yingkou Guangming Pipeline Industry Co., Ltd.	Yancheng Manda Pipe Industry Co., Ltd.	7.42
Yingkou Guangming Pipeline Industry Co., Ltd.	Yancheng Haohui Pipe Fittings Co., Ltd.	7.42
Yingkou Guangming Pipeline Industry Co., Ltd.	Jiangsu Haida Pipe Fittings Group Co., Ltd.	7.42
Yuyao Wanlei Pipe Fitting Manufacturing Co., Ltd.	Yuyao Wanlei Pipe Fitting Manufacturing Co., Ltd.	7.42
China-Wide Entity ¹²		142.72

¹² The China-wide entity includes: (1) Beijing Better Products International Ltd.; (2) Dalian Newshow Pipeline Industry Co.; (3) G&T Industry Holding Ltd.; (4) Shanxi Baolongda Forging Company Ltd.; (5) Shaanxi Fenry Flanges and Fittings Co., Ltd.; (6) Shenzhen Front Valve Co., Ltd.; (7) Qingdao Eathu Casting and Forging Co., Ltd.; (8) Gaoyou Huaxing Petroleum Pipe Manufacture Co., Ltd.; and (9) the single entity comprising Jiangsu Haida Pipe Fittings Group Company Ltd., its affiliated producer Haida Pipe Co., Ltd., and its affiliated reseller Yancheng L&W International Co., Ltd.

Suspension of Liquidation

In accordance with section 733(d)(2) of the Act, Commerce will direct U.S. Customs and Border Protection (CBP) to suspend liquidation of subject merchandise as described in the scope of the investigation section entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the *Federal Register*, as discussed below.

Pursuant to section 733(d)(1)(B) of the Act and 19 CFR 351.205(d), Commerce will instruct CBP to require a cash deposit equal to the estimated weighted-average dumping margin as follows: (1) for the producer/exporter combinations listed in the table above, the cash deposit rate is equal to the estimated weighted-average dumping margin listed for that combination in the table; (2) for all combinations of Chinese producers/exporters of merchandise under consideration that have not established eligibility for their own separate rates, the cash deposit rate will be equal to the estimated weighted-average dumping margin established for the China-wide entity; and (3) for all third-country exporters of merchandise under consideration not listed in the table above, the cash deposit rate is the cash deposit rate applicable to the Chinese producer/exporter combination (or the China-wide entity) that supplied that third-country exporter.

To determine the cash deposit rate, Commerce normally adjusts the estimated weighted-average dumping margin by the amount of domestic subsidy pass-through and export subsidies determined in a companion CVD proceeding when CVD provisional measures are in effect. Accordingly, where Commerce makes a preliminary affirmative determination for domestic subsidy pass-through or export subsidies, Commerce offsets the calculated estimated weighted-average dumping margin by the appropriate rate(s). In this case, we have not made a preliminary

affirmative determination for domestic subsidy pass-through or export subsidies. Therefore, we are not adjusting the estimated weighted-average dumping margin for these subsidies.

These suspension of liquidation instructions will remain in effect until further notice.

Disclosure

Commerce intends to disclose to interested parties the calculations performed in conjunction with this preliminary determination within five days of its public announcement or, if there is no public announcement, within five days of the date of publication of this notice in accordance with 19 CFR 351.224(b).

Verification

As provided in section 782(i)(1) of the Act, Commerce intends to verify information relied upon in making its final determination.

Public Comment

Case briefs regarding non-scope issues may be submitted to the Assistant Secretary for Enforcement and Compliance no later than seven days after the date on which the last verification report is issued in this investigation, or on a date established by the Secretary, as appropriate. Rebuttal briefs, limited to issues raised in case briefs, may be submitted no later than five days after the deadline date for case briefs.¹³

Additionally, case briefs regarding scope issues may be submitted within 10 days after the date of publication of this notice in the *Federal Register*. Rebuttal briefs regarding scope issues, limited to those issues which are raised in the scope case briefs, may be submitted no later than five days after the deadline date for scope case briefs. All scope case and rebuttal briefs must be filed identically on the records of this investigation and the concurrent AD and CVD

¹³ See 19 CFR 351.309; *see also* 19 CFR 351.303 (for general filing requirements).

investigations of forged steel fittings. Pursuant to 19 CFR 351.309(c)(2) and (d)(2), parties who submit case briefs or rebuttal briefs on any issues raised in this proceeding are encouraged to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing, limited to issues raised in the non-scope case and rebuttal briefs and/or scope case and rebuttal briefs, must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce. Any hearing request for scope issues must be filed identically on the records of this investigation and the concurrent AD and CVD investigations of forged steel fittings. All documents must be filed electronically using ACCESS. An electronically-filed request must be received successfully in its entirety by ACCESS by 5:00 p.m. Eastern Time, within 30 days after the date of publication of this notice. Requests should contain the party's name, address, and telephone number, the number of participants, and a list of the issues to be discussed. If a request for a hearing is made, Commerce intends to hold the hearing at the U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230, at a time and date to be determined. Parties should confirm by telephone the date, time, and location of the hearing two days before the scheduled date.

Postponement of Final Determination and Extension of Provisional Measures

Section 735(a)(2) of the Act provides that a final determination may be postponed until not later than 135 days after the date of the publication of the preliminary determination if, in the event of an affirmative preliminary determination, a request for such postponement is made by exporters who account for a significant proportion of exports of the subject merchandise, or in the event of a negative preliminary determination, a request for such postponement is made by

the petitioners. Pursuant to 19 CFR 351.210(e)(2), Commerce requires that a request by exporters for postponement of the final antidumping determination be accompanied by a request for extension of provisional measures from a four-month period to a period not more than six months in duration.

On March 18, 2018, pursuant to 19 CFR 351.210(e), Both-Well (Taizhou) Steel Fittings Co., Ltd. requested that, in the event of an affirmative preliminary determination, Commerce postpone the final determination and that provisional measures be extended to a period not to exceed six months.¹⁴ On April 18, the petitioners¹⁵ requested, in the event of a negative preliminary determination in this investigation, that Commerce postpone the final determination up to 135 days after the date of the publication of the preliminary determination.¹⁶ In accordance with section 735(a)(2)(A) of the Act and 19 CFR 351.210(b)(2)(ii), because: (1) the preliminary determination is affirmative; (2) the requesting exporter accounts for a significant proportion of exports of the subject merchandise; and (3) no compelling reasons for denial exist, Commerce is postponing the final determination and extending the provisional measures from a four-month period to a period not greater than six months. Accordingly, Commerce will make its final determination no later than 135 days after the date of publication of this preliminary determination.

¹⁴ See Letter from Both-Well, “Forged Steel Fittings from China: Antidumping,” dated March 18, 2018.

¹⁵ Bonney Forge Corporation and United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union (USW) (collectively, the petitioners).

¹⁶ See Letters from the petitioners, “Request to Extend Final Determination,” dated April 18, 2018; and “Request to Extend Final Determination, Acknowledgement of Gap in CVD Provisional Measures,” dated April 19, 2018.

International Trade Commission Notification

In accordance with section 733(f) of the Act, we are notifying the U.S. International Trade Commission (ITC) of our affirmative preliminary determination of sales at LTFV. If the final determination is affirmative, the ITC will determine before the later of 120 days after the date of this preliminary determination or 45 days after our final determination whether these imports are materially injuring, or threaten material injury to, the U.S. industry.

Notification to Interested Parties

This determination is issued and published in accordance with sections 733(f) and 777(i)(1) of the Act and 19 CFR 351.205(c).

Dated: May 7, 2018.

Gary Taverman,
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations,
performing the non-exclusive functions and duties of the
Assistant Secretary for Enforcement and Compliance.

Appendix I

Scope of the Investigation

The merchandise covered by this investigation is carbon and alloy forged steel fittings, whether unfinished (commonly known as blanks or rough forgings) or finished. Such fittings are made in a variety of shapes including, but not limited to, elbows, tees, crosses, laterals, couplings, reducers, caps, plugs, bushings, unions, and outlets. Forged steel fittings are covered regardless of end finish, whether threaded, socket-weld or other end connections.

While these fittings are generally manufactured to specifications ASME B16.11, MSS SP-79, MSS SP-83, MSS SP-97, ASTM A105, ASTM A350, and ASTM A182, the scope is not limited to fittings made to these specifications.

The term forged is an industry term used to describe a class of products included in applicable standards, and does not reference an exclusive manufacturing process. Forged steel fittings are not manufactured from casting. Pursuant to the applicable specifications, subject fittings may also be machined from bar stock or machined from seamless pipe and tube.

All types of fittings are included in the scope regardless of nominal pipe size (which may or may not be expressed in inches of nominal pipe size), pressure rating (usually, but not necessarily expressed in pounds of pressure/PSI, *e.g.*, 2,000 or 2M; 3,000 or 3M; 6,000 or 6M; 9,000 or 9M), wall thickness, and whether or not heat treated.

Excluded from this scope are all fittings entirely made of stainless steel. Also excluded are flanges, butt weld fittings, butt weld outlets, nipples, and all fittings that have a maximum pressure rating of 300 pounds of pressure/PSI or less.

Also excluded are fittings certified or made to the following standards, so long as the fittings are not also manufactured to the specifications of ASME B16.11, MSS SP-79, MSS SP-83, MSS SP-97, ASTM A105, ASTM A350, and ASTM A182:

- American Petroleum Institute (API) API 5CT, API 5L, or API 11B
- Society of Automotive Engineering (SAE) SAE J476, SAE J514, SAE J516, SAE J517, SAE J518, SAE J1026, SAE J1231, SAE J1453, SAE J1926, J2044 or SAE AS 35411
- Underwriter's Laboratories (UL) certified electrical conduit fittings
- ASTM A153, A536, A576, or A865
- Casing Conductor Connectors 16-42 inches in diameter made to proprietary specifications
- Military Specification (MIL) MIL-C-4109F and MIL-F-3541

- International Organization for Standardization (ISO) ISO6150-B

To be excluded from the scope, products must have the appropriate standard or pressure markings and/or accompanied by documentation showing product compliance to the applicable standard or pressure, *e.g.*, “API 5CT” mark and/or a mill certification report.

Subject carbon and alloy forged steel fittings are normally entered under Harmonized Tariff Schedule of the United States (HTSUS) 7307.99.1000, 7307.99.3000, 7307.99.5045, and 7307.99.5060. They also may be entered under HTSUS 7307.92.3010, 7307.92.3030, 7307.92.9000, and 7326.19.0010. The HTSUS subheadings and specifications are provided for convenience and customs purposes; the written description of the scope is dispositive.

Appendix II

List of Topics Discussed in the Preliminary Decision Memorandum

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